

Moving Out of Poverty: Understanding Freedom, Democracy and Growth from the Bottom-Up

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Deepa Narayan, Senior Advisor, PREM, World Bank

Purpose: To conduct a global study in 10-15 countries to learn retrospectively from those who were once poor but have moved out and stayed out of poverty over time in different political, social and economic environments.

Why and how do some poor people move out of poverty and stay out of poverty while others remain trapped in chronic poverty? *Moving out of Poverty: Understanding Freedom, Democracy and Growth from the Bottom-Up* is a global study across 10-15 countries to understand how people move out of poverty or remain trapped from the perspectives of the men, women and youth who have lived through these experiences. The study seeks to draw lessons from the life stories of those who have moved out of poverty, and explore the links to local experiences of democracy, power, and freedom.

The World Bank's key mission is poverty reduction. It is clear that growth is critical for poverty reduction, but is not enough. Large numbers of people must participate in the growth process for there to be poverty reduction on a large scale. There remains, however, relatively little agreement on how to achieve such pro-poor growth in countries with very different conditions. Most of our knowledge is based on household surveys that focus primarily on household economic and demographic characteristics. In addition, while formal democracy is important, what matters for poverty reduction is how democracy at the local level links to economic opportunity. Yet there is little comparative research on the nature of these linkages.

This study marks a strategic shift to focus on wealth and asset creation rather than solely on poverty reduction. It provides a bottom-up complement to PREM's flagship study on *The Growth Experience: What have we learned from the 1990s?* as well as to the work program on pro-poor growth in PREM. Moving Out of Poverty includes countries that have experienced high growth and low growth; and that have different histories of democracy and hence will provide guidance on factors that are common and different across these types of countries. The special focus on Africa will ensure that the study will yield insights useful to the situation of stagnation in Africa. In addition, the studies will inform country assistance strategies, country economic memoranda, poverty assessments, poverty reduction strategy monitoring, and operational work at the country level.

What makes this study unique? The *Moving Out of Poverty* study is intended to complement ongoing macro-level research on pro-poor growth and inequality. It will bring a bottom-up perspective, examining the actual mechanisms by which people move out of and stay out of poverty. Several features make the study unique:

- It is **global in scope**, allowing for policy lessons at the national and global levels;
- It focuses on **mobility rather than static poverty**, and seeks to understand permanent movements out of poverty over time;
- It takes an “**economics plus**” approach, also emphasizing the social, political and institutional factors that influence people's lives;
- It centers on **households in context**, embedded in communities and nations;
- It **combines quantitative and qualitative methods**;

- It includes **multiple perspectives on key events and policies**, from households, community groups *and* policymakers;
- It supports in-country learning groups to enhance capacities to **link research directly to key policy issues** important in each country.

Analytical approach. The key questions that the study will examine are:

- How and why do people move out of poverty and stay out of poverty while others remain trapped?
- Do people experience mobility differently under contexts of fast and slow economic growth?
- Does the extent of global integration affect people's mobility?
- Are there gender differences?
- Do networks and social identity matter in men's and women's upward climbs?
- Do the quality of local governance, "depth" of democracy and freedom make a difference?

In answering these questions, the study will explore a broad range of political, social, and economic factors at both the household and community levels within subnational and national contexts. Use will also be made of open-ended qualitative methods to probe in depth people's definitions and understandings of *mobility, freedom, power, democracy and aspirations*, and how these concepts link to building assets and maintaining wealth.

The basic proposition of the study is that transitions out of poverty are determined by a broad set of economic, social and political factors embedded in pervasive inequality and power relations. To provide a comparable framework across countries, a set of broad hypotheses about how these factors relate to mobility have been identified. These hypotheses represent a starting point for grounding the research at the country level. Each of the research teams in the study countries will develop a more refined set of hypotheses informed by key policy issues for growth and poverty reduction facing their countries. For example, a country study may be designed to compare areas with high and low growth, with different rates of poverty reduction or inequalities, with different sources of growth or access to markets, with good and bad local governance, or other dimensions important to that country. The research design will also be shaped by available data, particularly panel data where available, and the new data collection will be embedded within the sample frameworks for these studies.

Data collection. The primary data collection tools include household and community questionnaires, focus groups discussions, semi-structured household interviews, and key informant interviews with policymakers and community leaders. The household survey will gather information on the household's status now and ten years ago using four alternative poverty measures: expenditure data, household assets, food security, and self-assessments of current and previous status through a "Ladder of Life" ranking. In addition, the questionnaire will gather data on access to credit, access to employment opportunities, access to services such as education and health, memberships in groups and networks (social capital), empowerment and political participation, access to information, exposure to crime and violence, and aspirations.

This quantitative data will be complemented with qualitative data. The qualitative tools are designed to increase our understanding through detailed life stories and community

discussions of the mechanisms and processes that support people to access new opportunities and move out of poverty. Such data are not available in existing panel studies. The fieldwork will involve open-ended discussions to understand perceptions of mobility, freedom, power, democracy and aspirations at both the household and community levels, and how these concepts are linked to mobility.

Work program and partners. The design phase of the study was completed following an extensive literature review, a series of international methodology workshops, and two rounds of country pilots of the methodology. Research partnerships with developing country economists and sociologists or anthropologists have been mobilized at the country level, and regional trainings of country teams have been completed. The criteria for selecting researchers included strong research credentials, willingness to work in interdisciplinary teams, and commitment to linking the study with policymaking in the country, including PRSP processes where relevant. The global study is being conducted in collaboration with the Global Development Network.

The country level data collection and analysis is underway and expected to be completed in CY06, after which country reports will be presented at a global conference, peer reviewed and finalized for dissemination. This will be followed by a year of synthesis across countries. Country-level dissemination and follow-up activities will be formulated in close coordination with Bank country offices and local research teams to ensure strong links with policymaking processes. Capacity building for policy relevant multidisciplinary research is an important component of the research program. Most country reports will be published in CY06 and the global reports in CY07. Country level workshops and media activities will also be conducted as funds become available.